BC Public Service Agency

2004/05 Annual Service Plan Report

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* *Refer to note on page 3.*

Table of Contents

Message from the Minister and Accountability Statement 5

Highlights of the Year 7

Agency Role and Services 8

Report on Performance 14

Report on Resources 27

Appendix A: Fulfillment of Kamloops Report Commitments 29

Appendix B: Regional Office Locations 30

Appendix C: Public Service Profile 31

Appendix D: Glossary 33

PLEASE NOTE: On June 16, 2005, the government ministries were re-organized to reflect the new cabinet responsibilities. Many of the website addresses and links in this printed report may have changed following the government re-organization.

- A list of the new ministries is available on the government website at http://www.gov.bc.ca — follow the links to Ministries and Organizations.
- An index of all 2004/05 Annual Service Plan Reports, with up-to-date website links, is available online at http://www.bcbudget.gov.bc.ca/annualreports/ .

Message from the Minister and Accountability Statement

It is my pleasure to present the 2004/05 annual service plan report for the BC Public Service Agency.

During the 2004/05 reporting year, the Agency continued to support its clients (government ministries/agencies/etc.) rebuild and sustain a professional public service able to provide quality services to meet the needs of the citizens of British Columbia. It effectively reallocated resources, and reviewed and improved its programs and services. These initiatives resulted in a remarkable 62 per cent increase in overall client satisfaction. In addition, the BC Leadership Centre merged with the BC Public Service Agency to better serve its clients and customers.

I am very proud of the work that the Agency has undertaken, and the commitment and dedication of the public service towards achieving government's vision of being the best public service in Canada.

I want to commend the Agency, and its management team, for demonstrating real leadership and I wish to thank all civil servants, in every part of the province, for their enthusiasm, creativity, and resourcefulness. A dedicated public service supports government's strategic goals for a strong and vibrant economy, supportive social fabric, safe, healthy communities and a sustainable environment.

The following report describes the activities and achievements of the BC Public Service Agency for the fiscal 2004/05.

The 2004/05 BC Public Service Agency Annual Service Plan Report compares the actual results to the expected results identified in the Agency's 2004/05 Service Plan. I am accountable for those results as reported.

Honourable Joyce Murray
Minister of Management Services

June 1, 2005

Highlights of the Year

- Continued to deliver cost savings utilizing a shared service model. Reduced administrative costs allow ministries and agencies to focus on their core business — providing services to citizens.
- Increased client/customer satisfaction rating significantly from 2003/04 and exceeded the 2004/05 target of 60 per cent by achieving a 68 per cent overall satisfaction rating.
- Adopted a continuous improvement model in order to regularly review all programs and services for effectiveness and cost savings.
- Launched the first annual Premier's Innovation and Excellence Awards aimed at highlighting and reinforcing progressive management practices in the public service and recognizing innovation, leadership and new ideas to improve service delivery to the citizens of British Columbia.
- Increased reporting to Deputy Ministers on workplace health costs and utilization rates to aid in the development of strategies and programs that contain or decrease workplace health benefit costs.
- Increased awareness of BC regular public service employees of the value of their total compensation package (salary and benefits) by providing annual statements.
- Enhanced leadership development programs and continued to build public service future leadership capacity by expanding the succession planning program to include high potential individuals that are ready/near ready for Director and Executive Director roles.
- Played a significant role in responding to the avian flu crisis by providing training in the use of personal protective equipment and detailed bio-security measures.

Agency Role and Services

Vision, Mission and Values

Vision

The BC Public Service Agency is driven by a vision of:

- Connecting with our clients to provide excellence in human resource service that achieves results.

Mission

We achieve this vision by focusing on a mission of:

- Providing leadership in people management and human resource services to support achieving excellence in public service.

Values

The Agency performs its business guided by the following values:

- We provide professional and high-quality service and are accountable for our performance;
- Our relationship with our clients will be respectful, open and collaborative;
- Through teamwork, we trust and support each other and work across divisional boundaries;
- We model the HR practices that we wish to see throughout the public service; and
- Our clients' success is our success.

The Agency's values play an important role in guiding staff in their everyday work and are applied through ongoing accountability mechanisms including client and customer surveys, service level agreements and building and enhancing relationships with our clients and customers.

Agency Overview, Core Business Areas and Structure

Agency Overview

The BC Public Service Agency was established in April 2003 to provide government-wide consolidated services for human resource management to reduce costs, increase client satisfaction and shift accountability for people management to leaders and managers. It is accountable to the Deputy Ministers' Council through a memorandum of understanding and to individual ministries through service level agreements that are negotiated each year.

In June 2004, government established a Shared Services Board of Directors, comprising of Deputy Ministers, to promote and champion the government mandated shared services initiative within the BC public service. Shared services models are based on consolidating common services to achieve financial savings and service improvements. The Deputy Minister of the BC Public Service Agency is accountable to the Minister for the provision of human resource management policies and programs and is responsible to both the Minister and the Shared Services Board for the provision of shared HR services.

The government-wide Corporate HR Plan provides guidance for ministries and agencies involved in the development of their specific human resource and people strategy plans. It sets out specific accountabilities for the Agency, ministries and employees. Individual Deputy Ministers and heads of agencies are responsible for human resource management within their respective organizations and for supporting corporate human resource priorities, policies and practices.

The Agency supports its clients (government ministries/agencies, etc.) in achieving the goals of the Corporate HR Plan, their ministry-specific human resource needs and improving overall effectiveness of the public service. Client supports include the delivery of front line advisory services and transactional (processing) services related to all areas of human resources. In addition, the Agency supports workforce development through the development and delivery of training, leadership and succession management processes; delivers a comprehensive classification and compensation program; acts as an advocate for the employer and line ministries on a variety of labour matters and conducts strategic recruitment on behalf of Deputy Ministers and senior leaders across the public service.

The Agency supports and responds to government priorities and initiatives related to the public service, and represents the government in negotiations with public service unions and professional associations. The Agency also negotiates plans with benefit service providers and ensures the provision of services through organizations such as Pacific Blue Cross and Great West Life.

Legislation governing human resources in the public service that the Agency has responsibility for include the *Public Service Act*, *Public Service Benefit Plan Act* and *Public Service Labour Relations Act*.

The BC Public Service Agency has offices located in Victoria, Nanaimo, Vancouver, Abbotsford, Burnaby, Kamloops, Nelson and Prince George.

Core Business Areas: The following provides an overview of the Agency's core business areas. Detailed information regarding actual operating expenditures and full-time equivalents is found in the Report on Resources section.

Governance and Strategy

The Governance and Strategy core business provides government-wide human resource strategy and planning.

- Facilitates business transformation within the human resource function in order to enhance client satisfaction, improve efficiency, reduce costs and increase innovation.
- Provides policy and legislative advice and interpretation, as well as recommending and drafting legislative changes and human resource policies.
- Develops and maintains job evaluation and compensation plans for use across government and is responsible for ensuring the plans are implemented equitably in all ministries and agencies that are governed by the *Public Service Act*.
- Provides comprehensive negotiation and labour relations services and ensures that government's objectives in negotiation with public service unions and professional associations are met. It also represents the Employer on pension-related issues.

Actual operating expenses were $6,083,000; full-time equivalents were 56.

Client Services

Client Services provides a broad range of human resource services and programs on a regional basis, through Agency offices across the province, to ministries and other government organizations helping to meet their business needs in organizational design, compensation, staffing, labour relations, disability case management, and occupational health and safety. Client Services plays a significant role in supporting corporate alternative service delivery (ASD) initiatives by providing human resource support systems and advice to ensure smooth transition of services to their new method of delivery. In addition, ongoing efforts are provided to place staff as a result of workforce adjustment and ASD initiatives.

Actual operating expenses were $2,693,000; full-time equivalents were 208.

Pension, Employee Benefits and Corporate Programs

The Agency is responsible for the development, implementation, management and communication of public service employee workplace health benefit plans and programs. The Agency has workplace benefits, occupational health, corporate occupational safety and disability management programs. It maintains relationships with benefit service providers and negotiates contracts with insurance companies.

Services include medical case management for disabled employees, safety-related medical services for employees and corporate health programs, occupational safety development and compliance strategies, safety education and training and coordination of activities related to employee absence, return to work planning and benefits management.

Actual operating expenses were $(4,507,000) as a result of an over-recovery due to an accounting adjustment to retiring allowance liability; full-time equivalents were 75.

BC Leadership Centre

The Leadership Centre provides a suite of employee and organization development activities and programs focused on achieving excellence in public service. The Centre has responsibility to manage the Public Service Learning Fund which finances the design, development, administration and delivery of corporate training programs and career development supports for all employees. Awards and recognition programs are provided by the Centre, and include corporate programs such as the Premier's Awards, Long Service Awards, Improvement Awards and Staff Appreciation Awards. The Centre manages corporate human resource services for senior management levels in the areas of executive recruitment, succession planning, performance management and executive development.

Actual operating expenses were $(122,000) as a result of chargeback and infrastructure adjustments; full-time equivalents were 13.

HR Executive and Support Services

The Executive and Support Services core business provides leadership and focus on effective and efficient planning that assist core business areas in achieving their goals and objectives. The Deputy Minister of the Agency is responsible for ensuring the human resource requirements of the public service are aligned with current and future requirements of government and works with colleagues to ensure the Agency's products and services are meeting the ongoing needs of government and positioning the staff and management of the public service to achieve excellence. The Deputy Minister of the Agency also acts as the province's Merit Commissioner. The Corporate Services Division provides budget, financial, administrative and infrastructure support to the Agency. The Strategic Communications Branch provides internal customer communication strategies, planning and advice to the Agency executive and divisions.

Actual operating expenses were $828,000; full-time equivalents were 14.

Ministry Operating Context

The BC Public Service Agency operates in a shared services model. Shared Services is a best practice approach to service delivery and to reducing costs over time. The shared services model is based on the proven concept that consolidating common services in a customer-focused/client-led business model achieves significant financial savings and service improvements. These results are achieved by creating economies of scale, standardizing products and processes and leveraging technology and scarce skill sets to create lower costs.

The move to shared services in both the private and public sector models is an evolution that takes time, organizational learning and discipline. As more public sector organizations move toward this model, a considerable body of research and experiential knowledge is becoming available to guide organizations. British Columbia is one of the first provinces (along with Alberta and Ontario) to move to this type of model for human resource management and is regularly contacted by other jurisdictions inside and outside Canada to provide advice on the implementation of a shared services model for human resources.

Many of the fundamental building blocks recognized by leading experts as important to success have been put in place. These include a strong political mandate, stand-alone entity, strong accountability framework, tracking of costs and benchmarking, a focus on continuous improvement, and building a workforce focused on the customer and performance measurement.

Consolidating human resources under a single Agency and moving to a shared services model has been a significant change for clients, customers and staff of the Agency. The implementation of shared services, workforce adjustment, alternative service delivery initiatives and significant business process change has resulted in major adjustments and challenges to the way the public service operates. Public Service Renewal and the implementation of the new HR organization also called for a shift in accountability for the management of public service human resources to managers inside ministries.

Within this context, the Agency has been challenged to continue to reduce costs and increase customer satisfaction. A significant reduction in costs has occurred and customer satisfaction is considerably better than in the first year of operation. Overall, Agency customers rate the Agency at 68 per cent overall satisfaction — a 62 per cent increase over the previous year. This turnaround in customer satisfaction indicates that the model is beginning to work.

The Shared Services Board of Directors (established by government to promote and champion the government mandated shared services initiative within the BC public service) has initiated a review of shared services to determine how further improvements may be made to the model. Findings and recommendations will be reviewed and assessed for implementation.

The Auditor General of British Columbia released his report on the work environment in British Columbia's public service entitled "Building a Strong Public Service: Reassessing the Quality of the Work Environment in the British Columbia Public Service (2005)". The report

reflects both the widespread improvement and the challenges faced by a rapidly changing organization. The Agency is supporting positive changes to the work environment by:

- delivering Leadership training in partnership with Royal Roads University, University of Victoria and Camosun College which represents an investment of $14 million over the next seven years;
- launching succession planning to ensure that the public service is developing the leaders of the future; and,
- dedicating a training fund to ensure that public service employees have access to the training they need.

The BC Public Service Agency will continue to work with Deputy Ministers to identify strategies and address recommendations from the report and will measure the quality of the public service work environment annually, reporting the results in the Public Service Agency's Annual Service Plan Report beginning in 2005/06.

An aging workforce and increasing competition for talent creates challenges for ministries and government in retaining and recruiting the workforce needed to deliver on government's goals and objectives. Talent Management, which includes recruitment and retention, is addressed in most ministry human resource people plans and strategies. The recruitment and training of people for critical positions and the critical skills needed — for today and tomorrow — is necessary to ensure a successful public service. In addition, the Agency will work with government to develop strategies to address compensation issues, especially for management positions, in an increasingly competitive market. The corporate programs established to build leaders will support this requirement, as will a new Hiring Division being created within the Agency in 2005/06 to focus on strategic recruitment and retention issues across the public service.

New Era Commitments

The BC Public Service Agency completed its *New Era* commitments prior to the beginning of this reporting year.

Report on Performance

Overview of Ministry Goals and Linkage to Government Strategic Goals

The Government Strategic Plan is based on three overriding goals: economic growth, a supportive social fabric and healthy communities and environment. An innovative and goal-oriented public service is essential to achieving these goals.

The BC Public Service Agency's mission — to provide leadership and services in people management to support excellence in public service — supports all three of the government's strategic goals.

Report on Results

Synopsis of Agency Results

Agency Goals	Measures	Results
1. Clients respect the Agency as a trusted and critical business partner.	Percentage of clients and customers satisfied with overall service from the Agency.	✓✓
	Percentage of organizations under the *Public Service Act* who receive full services from the Agency.	×
2. Clients receive seamless, efficient and innovative products and services from the human resource organization.	Costs of HR services per FTE.	✓
	Service standards developed.	▲
	Per cent of time that the Agency meets its service standards.	×
	Number of regulatory requirements removed.	✓✓
3. All public service managers have human resource knowledge, tools and supports to deliver the highest quality service.	Engagement rating for BC public servants.	×
	Per cent of clients who agree that Agency online tools are useful.	✓✓
	Per cent of managers and supervisors who believe they have adequate skills and resources to fulfill their human resource management responsibilities.	▲
4. As one employer, the Province of British Columbia's interests are preserved and supported.	Number of policy compliance reviews.	✓✓
	Number of individuals identified as ready or near-ready for future leadership roles.	✓✓
	Per cent of individuals identified for corporate succession who are promoted or assigned new roles.	✓✓

✓✓ Exceeded target. ✓ Achieved target. ▲ Target mostly achieved. × Missed target.

Goal 1

Clients respect the Agency as a trusted and critical business partner.

Core Business: All.

Objectives

1. Human resources are delivered by a shared services organization that is customer-centric.
2. The Agency has a profound understanding of our clients' business requirements and best practices in human resource management.
3. Human resource professionals have the business literacy skills required to serve the business needs of ministries.
4. Deputy Ministers' Council is supported to achieve their Corporate HR Plan.
5. Line management accepts ownership of human resource management.
6. Human resources staff exhibit professionalism and are recognized for demonstrated competence, depth and high-calibre knowledge in all human resource disciplines.
7. The Agency has strong partnerships and relationships with managers and executives.

Key Strategies

1. Increased movement of human resource staff to line management roles and brought line managers and program staff into the human resource organization.
2. Engaged and involved line management and ministry strategic human resources personnel in the development of policies and programs.
3. Used ministry service plans as a foundation for developing human resource priorities.
4. Built business knowledge, problem diagnosis and consultation skills capacity in human resource staff.
5. Implemented action plans to address service issues identified in the Client Satisfaction Survey.
6. Benchmarked human resource processes, practices and systems against best practices to ensure the Agency and Leadership Centre are offering "best in class" to our clients and partners.
7. Capitalized on expertise from the Leadership Advisory Board to broaden the use of best practices in human resource management.

In achieving this goal the Agency undertook a number of initiatives to strengthen the knowledge and understanding of individual clients' needs and satisfaction levels at both a local and provincial level. Meetings with Ministry Executive Teams, focus groups and the implementation of point-of-service surveying provided clients and customers with opportunities to discuss their specific needs. These initiatives also provided the Agency with opportunities to receive feedback on satisfaction levels and improvements needed to better service clients and customers.

The Agency also needs to ensure its services are "best in class". In 2004/05 the BC Public Service Agency engaged in a study to benchmark processes and costs against other public and private sector organizations across North America. This benchmarking study demonstrated that the Agency is very competitive in terms of costs. In terms of cost efficiency, the HR Organization in British Columbia has been placed in the first quartile as compared to World Class Organizations and comparable organizations. In terms of overall efficiency and value, the HR Organization in British Columbia also scores high but not quite at the first quartile level.

In addition, an activity process review was conducted in two of the divisions with the assistance of the Office of the Comptroller General. These findings, together with other data, resulted in the development of an action plan that was presented to the Minister in October 2004. This included a refocusing of the Agency's service plan and resources, a renewed commitment to the Agency's eBusiness and Business Transformation strategy and the establishment of a project team to undertake improvements to the Agency's recruitment and hiring services.

Performance Measures and Results

Performance Measure	Baseline 2002/03	2003/04 Actual	2004/05 Target	2004/05 Actual	Variance
Percentage of clients and customers satisfied with overall service from the Agency	53.9%[1]	42%[2]	60%	68%[3]	8 percentage points

[1] The 2002/03 Client Satisfaction Survey, conducted before the Agency was established, did not ask a question about overall satisfaction. Instead, there was a separate satisfaction question for each of the 7 pre-Agency business lines. These responses were combined to create an overall satisfaction score. The limitation is that each of the 7 business lines is treated as equally important to clients.

[2] The 2003/04 Client Satisfaction Survey (the first Client Satisfaction Survey for the new Agency) addressed the problem with the first survey by asking a question about overall satisfaction with the quality of service. Therefore, the 42% score is not directly comparable to the baseline of 53.9%.

[3] This year executives and managers (clients and customers) received different satisfaction surveys. Executives were asked to respond on behalf of their entire organization, not just their personal experience of service. In previous years, executives responded based on their personal service experiences. However, there were 1,185 managers and 75 executives who answered this question so the influence of executive answering this question on the overall weighted average is nominal.

When the BC Public Service Agency was formed in 2003, it was charged with reducing costs, increasing customer satisfaction, and shifting accountability for human resources back to managers and supervisors. This measure focuses on the Agency's commitment to customer satisfaction and was obtained using a satisfaction survey administered by BC STATS. Supervisors, managers, and executives were asked about their overall satisfaction with the quality of services provided by the BC Public Service Agency. A key difference in measuring satisfaction in 2004/05 was the separation of executive clients from manager and supervisor customers. This year, executive clients (ML 9-12) were sent a shorter, strategic-level survey, while managers and supervisors, who are direct customers of the Agency, were sent a longer service-oriented survey. Both surveys contained the same question regarding overall satisfaction. Customers were 17 percentage points more satisfied with Agency services

overall than were clients, with clients being 52 per cent satisfied overall and customers being 69 per cent satisfied overall. However, the weighted average for both groups, 68 per cent, is higher than the baseline of 53.9 per cent before the Agency was created.

While annual satisfaction surveys are useful as a high level indicator, they do not provide enough detail to be useful for implementing specific change initiatives. Consequently, in June and July 2004, the Agency conducted focus groups as a follow up. These sessions were a rich source of information that resulted in the Agency undertaking a number of business transformation projects. In addition, the Agency learned that in order to be truly useful for continuous improvement, specific and immediate customer feedback is crucial. Therefore, in January 2005, the Agency implemented point-of-service surveying to obtain immediate feedback about specific service experiences. A key difference between the Agency's point-of-service survey and the annual customer satisfaction survey is that the point-of-service survey is not anonymous. Follow-up phone calls with customers as a result of their point-of-service feedback are another way that Agency staff solicit concrete service improvement suggestions. While the point-of-service survey tool currently lacks the scientific rigour to be definitive, the satisfaction scores have been overwhelmingly positive, averaging 4.45 out of 5. Overall, the satisfaction scores haves increased significantly from 2003/04 and the Agency is in an even better position entering the 2005/06 fiscal year to continue to improve service delivery to our customers and clients.

Performance Measure	Baseline 2003/04	2004/05 Target	2004/05 Actual	Variance
Percentage of organizations under the *Public Service Act* who receive full services from the Agency	57%	75%	65%	-10 percentage points

Expanding the client base of the Agency is one of the strategies to ensure that clients benefit from taking advantage of economies of scale resulting in the lowest prices. The Agency is looking at ways to attract and retain clients through a combination of costing/pricing transparency, better product and service information, and improved customer service.

Over the 2004/2005 fiscal year the full service client base of the Agency has remained stable. However, the partial service non-public service client base has increased by an additional eight clients in fiscal 2004/05, which reflects the Agency's commitment to expanding the client base. This type of shift is not captured by the current calculation method and the measure does not accurately portray the total client base, so this measure will no longer be reported in 2005/06 (e.g., when ministries amalgamate or collapse, the Agency's actual client base does not change, even though it appears that the number of clients has decreased). The Agency will be developing other ways to track its client base.

Goal 2

Clients receive seamless, efficient and innovative products and services from the human resource organization.

Core Business: All.

Objectives

1. Agency products and services meet clients' needs and provide good value for money.
2. Services are timely and relevant.
3. Clients appreciate the ease of doing business they experience with the Agency.
4. Services are differentiated based on client need.
5. Partnerships with ministry strategic human resource staff facilitate integrated service delivery.
6. Solutions are innovative and based on best practices in human resource management.

Key Strategies

1. Benchmarked the cost of core services with both public and private sector human resource organizations.
2. Continued to identify high cost areas and reduce costs through process improvement.
3. Commenced design and implementation of a sustainable and practical costing model to be completed in 2005/06.
4. Launched a Hiring Project to develop new services to equip managers with the means to successfully hire the people needed now and in the future.
5. Leveraged and focused overall spending on training and development in ways that are targeted to high priority areas.
6. Developed draft standards for service delivery in core human resource service areas.
7. Capitalized on technology to improve service delivery and reduce costs.
8. Restructured the service delivery model to provide integrated services across the province.
9. Increased the partial service client base by eight and maintained the regular client base.

The Agency delivers its services through a variety of mechanisms including direct services, technology, consultative advice, partnerships and relationships with internal and external providers. A number of enhancements to programs and products, and technology, occurred during the reporting year increasing the Agency's efficiency in delivering its services. InView, the employee portal, was launched in November 2004 to provide public service employees with a gateway to information, web-based tools and e-services. This portal is powered by identity information, which allows the Agency to target information to specific customer and client groups.

Implementation of an online self-registration system for the Long Service Awards and an online donation form for employee donations to the Provincial Employees Community Services Fund resulted in faster access to the programs for employees.

Performance Measures and Results

Performance Measure	Baseline 2001/02	2004/05 Target	2004/05 Actual	Variance
Cost of HR services per FTE	$1,120[1]	$820	$820	0

[1] This figure represents the full cost of HR services prior to the establishment of the Agency.

This performance measure tracks how much the Agency charges per full-time equivalent (FTE) for transactional HR services. The review and development of a costing/pricing model was initiated and will be finalized in 2005/06 by providing the Agency with the ability to provide clients with value for money data and identify areas where improvements can be achieved.

Performance Measure	Baseline	2004/05 Target	2004/05 Actual	Variance
Service standards developed	—	Complete and set baseline	Standards are in draft	Target mostly met

The BC Public Service Agency recognizes the importance of service standards to our clients and customers. In this fiscal year the Agency has focused on understanding both the service standards that constitute a world-class organization and the factors that drive customer satisfaction. In 2003/04 the Hackett group was contracted to conduct a benchmarking study of the HR organization as a whole. The information gathered through the 2003/04 annual satisfaction survey and customer focus groups was used to develop a model of what drives satisfaction. These activities enabled the development of draft standards that articulate the level of service that customers of the Agency can expect to receive. In the coming months, the Agency will consult with customers and clients on the draft standards. While the development of service standards is expected to be a continually evolving process, the first services standards will be finalized in 2005.

Performance Measure	Baseline	2004/05 Target	2004/05 Actual	Variance[1]
Per cent of time that the Agency meets its service standards	—	—	NA	Target not met

[1] Baseline measures cannot be established until service standards are confirmed through customer and client consultation.

Once service standards are finalized through focus testing with customers and clients, measurement methods will be established and tracking and reporting on them will begin.

Performance Measure	Baseline 2002/03	2004/05 Target	2004/05 Actual	Variance
Number of regulatory requirements removed	1,464[1]	345	1,084	739

[1] This was also the actual measure for 2003/04.

The Agency conducted a comprehensive review of regulatory requirements and exceeded its target regulatory reductions. The target percentage of reductions was six per cent and the Agency achieved a 19 per cent reduction.

Goal 3

All public service managers have human resource knowledge, tools and supports to deliver the highest quality service.

Core Business: All.

Objectives

1. Line managers have the capacity and "know-how" to successfully manage human resources.
2. Information, tools, products and services are easily accessed and easy to use.
3. Agency communications raise awareness of expertise, products and services delivered by the Agency.
4. The Agency is focused on delivering "only what we do best".
5. Access to services through multiple platforms including e-business.

Key Strategies

1. Trained managers and HR staff in competency-based recruiting.
2. Targeted training to high priority areas to ensure that training assists line managers to successfully manage their human resources.
3. Initiated newsletters to highlight the Agency's products and services.
4. Leveraged Government's position as one of the largest employers in BC in the procurement of goods and services from the human resource supplier community by establishing Master Standing Offers for services in hiring and organizational design.
5. Developed and implemented an Identity Management tool used by the InView employee portal to target communications.

During the reporting year, new courses were rolled out to enhance managers' human resource knowledge, and use of tools and resources. The Leadership and Learning Centre conducted a comprehensive training and development needs assessment to inform the setting of priorities for training offerings to ensure targeted training to high priority areas is delivered.

Human resources training to support line managers and supervisors was expanded in the areas of occupational health and safety, disability case management and labour relations, with new courses being developed and delivered throughout the province. Agency staff were reassigned to provide more dedicated resources to develop and deliver labour relations training, including specialized training packages. A series of web-based guidelines for supervisors and managers were developed to provide an overview of occupational health and safety, as well as guidelines and practices surrounding specific occupational safety issues (i.e., workplace inspections, occupational first aid, violence in the workplace).

The initial launch of the employee portal (InView) was focused at managers and provided access to the Labour Relations Practitioners' Worksite, including the arbitration award database and contract interpretation manual. Additional resources, including new tools for use in the hiring process, will be added in 2005/06.

Performance Measure and Results

Performance Measure	Baseline 2001/02	2004/05 Target	2004/05 Actual	Variance
Engagement rating for BC public servants	59%	69%	63%[1] 54%[2]	-6 percentage points[1] -15 percentage points[2]

[1] Uses the same methodology and almost the same questions as in 2000/01.

[2] Uses Hewitt's latest methodology and questions — not directly comparable to baseline result.

This data was gathered through a survey conducted by the Office of the Auditor General (OAG). The final report can be viewed at http://www.oag.bc.ca/AuditorGeneral.htm *).[1]

Engagement of public service employees is critical to the creation of a vibrant, sustainable workforce, and ultimately results in the provision of better customer service to the citizens of the province. In comparison to the 50 best companies, employees of the Province of BC are moderately engaged. The Agency plays a role in improving employee engagement by supporting executives and managers through corporate initiatives such as mentorship, leadership development, and employee performance and development plans. The issue of improving employee engagement continues to be a focus for the Agency in the fiscal year 2005/06.

[1] The OAG conducted a second work environment survey because a healthy work environment is critical to a well-performing government. The OAG has an auditing role and not on-going program monitoring role, and the Agency has committed to ensuring that the work environment of the public service is evaluated again in 2005/06.

* *Refer to note on page 3.*

Performance Measure	Baseline 2003/04	2004/05 Target	2004/05 Actual	Variance[1]
Per cent of clients who agree that Agency online tools are useful	55%	65%	72%	7 percentage points

In 2003/04, the customer/client satisfaction survey asked whether the online tools are useful and 55 per cent said that they agreed or strongly agreed. In the current survey, 72 per cent of our customers and clients agreed that the tools are useful.

Performance Measure	Baseline 2003/04	2004/05 Target	2004/05 Actual[1]	Variance
Per cent of managers and supervisors who believe they have adequate skills and resources to fulfill their human resource management responsibilities	50%	65%	62	-3 percentage points

[1] Note — this year the survey only includes the perceptions of bargaining unit supervisors and ML 1–8, however, last year, the executives had the highest percentage saying they had the necessary HR knowledge and skills so it is unlikely that the removal of executives from the reporting has caused the average to increase, if anything, the average may have been even higher if executives had been surveyed on this question.

While the actual result (62 per cent) was just short of the target (65 per cent), the percentage of respondents who say that they have the HR knowledge and skills has improved dramatically from last year. During the fiscal year 2004/05, there were 5,826 participants in Agency-sponsored HR courses. The Agency is committed to continuing to support managers to increase their HR knowledge and skills by providing increased opportunities for formal training (through the Leadership and Learning Centre) and informal training (through the Agency's consultants and technicians).

Goal 4

As one employer, the Province of British Columbia's interests are preserved and supported.

Core Business: All.

Objectives

1. Proactive and visionary leadership talent capacity developed in the public service.
2. Collaborative relationships with formal bargaining units that optimize productivity and build a climate of trust.
3. Employment rights and obligations are understood and consistently applied.
4. A consistent employee experience across the government of British Columbia through strengthened accountabilities for human resource management.
5. Risk is managed and mitigated.
6. Sound governance is provided.
7. The overall needs of government are balanced with client and customer needs.

Key Strategies

1. Launched the first annual Premier's Innovation and Excellence Awards.
2. Accelerated the development of leadership talent across government through the introduction of corporate succession planning.
3. Developed and delivered 2 executive leadership forums and 6 Learning Leader workshops designed for middle managers.
4. Completed three policy reviews.
5. Researched and developed recommendations for a new market-based management compensation system that is performance based while ensuring cost containment.
6. Supported cost containment and risk mitigation in health and safety and labour relations.

The Agency supports clients (government ministries/agencies/etc.) achieve their human resource needs to deliver on government and ministry goals and objectives through leadership and services. To ensure consistency and a one-employer approach, the Agency conducts policy compliance reviews and provides advice and interpretation of the collective agreement. These and future policy reviews ensure consistency in the delivery of human resource policies across government and a consistent employee experience.

The Agency continues to assess the risks and consequences of potential precedent setting arbitration awards resulting from grievances and other dispute resolution procedures in order to minimize cost impact and to preserve operating flexibility. Training to 444 employees through *Effective Discipline in the Workplace and Labour Relations: An Introduction* was provided to increase managers' and supervisors' knowledge and understanding of their role as an employer. In December 2004, each Deputy Minister received a ministry-specific workplace health report outlining workplace health costs and utilization rates for 2003. These statistics and discussions with clients will aid in the development of strategies and programs to contain or decrease workplace health benefit costs across government.

The Agency supports its clients to implement their specific human resource and people strategy plans through the services it provides. Services focus on performance management, succession planning and leadership training and development. This supports the development of leadership capacity in the public service and ensures leaders for the future. As compensation and benefits are integral to the employer's ability to retain and attract employees who foster excellence in the public service, annual personalized total compensation statements were sent to employees to raise awareness of the total value of their compensation (both salary and benefits).

The first annual Premier's Innovation and Excellence Awards, administered by the Agency, was launched in November 2004 with 77 nominations received and four awards presented in the categories of Innovation, Leadership, Partnership and Service Excellence. These awards aim at highlighting and reinforcing progressive management practices and recognize innovation, leadership and new ideas to improve service delivery.

Performance Measures and Results

Performance Measure	Baseline 2003/04	2004/05 Target	2004/05 Actual	Variance
Number of policy compliance reviews	0	2	3	1

The Agency completed policy compliance reviews related to three policies: the Oath of Employment, Standards of Conduct for Public Service Employees, and Discrimination Prevention Training. The purpose of these policy reviews was to evaluate compliance with policy and to identify areas where the policy or practice needs improvement. Information gathered from these policy reviews will be used to improve the consistency of information provided to new employees, improve orientation practices across the public service and update policy and practices where required.

Performance Measures	Baseline 2003/04	2004/05 Target	2004/05 Actual	Variance
Number of individuals identified as ready or near-ready for future leadership roles	75	90	180[1]	90
Per cent of individuals identified for corporate succession who are promoted or assigned new roles	0	25%	62%[2]	37 percentage points

[1] This is the number of seats available for the 2004/05 pool for which selection began in November 2004. Final selections will be made in May 2005.

[2] This refers to the percentage of the 2003/04 pool within government (reduced from 75 to 69 candidates) who have been promoted or assigned new roles (43 individuals).

In 2003, succession planning was introduced to address the need to fill senior vacancies that are predicted to increase as a result of anticipated retirements at Assistant Deputy Minister and Deputy Minister levels. In 2003, executives identified 75 Province of BC employees as succession planning candidates. Of these 75 people, 62 per cent have been promoted or assigned new roles. In November 2004, a new succession planning selection process was initiated that enabled employees to self-select. While the final selection of candidates was not complete at the time of this report, there are 180 potential spaces in the program. This group will receive accelerated training and will be tracked to determine the percentage that have been promoted or assigned new roles.

Since the inception of the succession planning program, individuals filled 66 per cent of executive recruitments from the pilot group that resulted in:

- Significantly reduced cost per hire for executives;
- Reduced recruiting time; and
- Increased productivity from entry into the new position to effective performance, versus the time required for a candidate outside of the BC public service to be fully oriented and effective.

It is also believed that identifying internal talent for promotion from within the public service has a positive impact on employee engagement and retention.

Deregulation

In 2004/05, the Agency continued deleting obsolete policies, consolidating and streamlining existing policies and minimizing duplication between policies and collective agreements. Considerable attention was focused on reducing regulatory requirements in policies related to benefits.

As illustrated in the following table, the Agency has exceeded its regulatory reduction targets for 2004/05 with a reduction of 1,084 regulations from a baseline of 5,760. The Agency is continuing to count regulatory requirements and is committed to maintaining a zero per cent increase to our baseline count as well as continuing to identify further regulatory reduction and regulatory reform opportunities.

Timeframe	Target number of reductions	Target percentage of reductions	Number of reductions achieved	Percentage of reductions achieved
April 1, 2004 – March 31, 2005	345	6%	1,084	19%

Report on Resources

The Resource Summary outlines the estimated expenditures and recoveries by core business area, as well as FTE allocations. The Executive and Support Services Division includes: the Deputy Minister's office, Strategic Communications Branch and the shared services provided by the Corporate Services Branch. The Agency is funded through three distinct sources: a voted appropriation, a direct service charge and an employee benefits chargeback. Those areas that show a $1,000 vote are supplemented by service recoveries budgeted by ministries and agencies that receive services.

The variance calculation method for the Public Accounts material has been changed to "Actual" minus "Budget" = "Variance", i.e., overspending will be without brackets and under spending in brackets (in contrast to "Budget" minus "Actual" = "Variance" as reported in past years).

2004/05 Resource Summary

	Estimated [1]	Other Authorizations [2]	Total Estimated	Actual	Variance (Actual minus Total Estimated) [3]
Operating Expenses ($000)					
Governance and Strategy	6,790	0	6,790	6,083	(707)
Client Services	3,102	0	3,102	2,693	(409)
Pension, Employee Benefits and Corporate Programs	1	0	1	(4,507)	(4,508)
Leadership Centre	1	0	1	(122)	(123)
Executive and Support Services	122	0	122	828	706
Contingencies	0	3,803	3,803	3,803	0
Total	**10,016**	**3,803**	**13,819**	**8,778**	**(5,041)**

Note: The variance in operating expenses is due to the estimates being based on a draft organizational structure for the new Agency. Actual expenses represent the resources required for the approved organizational structure of the Agency.

[1] The "Estimated" amount corresponds to the *Estimates* as presented to the Legislative Assembly on February 17, 2004.

[2] "Other Authorizations" include Supplementary Estimates, Statutory Appropriations and Contingencies. Amounts in this column are not related to the "estimated amount" under sections 5 (1) and 6 (1) of the *Balanced Budget and Ministerial Accountability Act* for ministerial accountability for operating expenses under the Act. Contingency funding accessed $3.1M for Centralized Shared Service Funding and $0.6M for the Public Service Learning Fund.

[3] Variance display convention has been changed this year to be consistent with the change introduced in public accounts. Variance is in all cases "Actual" minus "Total Estimates". If the Actual is greater, then the Variance will be displayed as a positive number.

	Estimated [1]	Other Authorizations [2]	Total Estimated	Actual	Variance (Actual minus Total Estimated) [3]
Full-time Equivalents (Direct FTEs)					
Governance and Strategy	60	0	60	56	(4)
Client Services	212	0	212	208	(4)
Pension, Employee Benefits and Corporate Programs	78	0	78	75	(3)
Leadership Centre	9	0	9	13	4
Executive and Support Services	14	0	14	14	0
Total	**373**	**0**	**373**	**366**	**(7)**
Ministry Capital Expenditures (Consolidated Revenue Fund) ($000)					
Governance and Strategy	3,000	0	3,000	632	(2,368)
Client Services	0	0	0	0	0
Pension, Employee Benefits and Corporate Programs	0	0	0	0	0
Leadership Centre	0	0	0	0	0
Executive and Support Services	300	0	300	102	(198)
Total	**3,300**	**0**	**3,300**	**734**	**(2,566)**

Note: The variance in operating expenses is due to the estimates being based on a draft organizational structure for the new Agency. Actual expenses represent the resources required for the approved organizational structure of the Agency.

[1] The "Estimated" amount corresponds to the *Estimates* as presented to the Legislative Assembly on February 17, 2004.

[2] "Other Authorizations" include Supplementary Estimates, Statutory Appropriations and Contingencies. Amounts in this column are not related to the "estimated amount" under sections 5 (1) and 6 (1) of the *Balanced Budget and Ministerial Accountability Act* for ministerial accountability for operating expenses under the Act. Contingency funding accessed $3.1M for Centralized Shared Service Funding and $0.6M for the Public Service Learning Fund.

[3] Variance display convention has been changed this year to be consistent with the change introduced in public accounts. Variance is in all cases "Actual" minus "Total Estimates". If the Actual is greater, then the Variance will be displayed as a positive number.

Explanations and Comments

All financial targets were achieved with a surplus of $5.041M, due to an accounting adjustment to retiring allowance liability. FTE results were on target, with seven FTE's not implemented for the year.

Appendix A: Fulfillment of Kamloops Report Commitments

In October 2002, a tragic murder-suicide occurred at the Water, Land and Air Protection Office in Kamloops. Following the Royal Canadian Mounted Police investigation, the Workers' Compensation Board, a coroner's jury and a joint labour-management workplace committee conducted independent investigations and made a series of recommendations. In August 2003, the BC Public Service Agency issued the Kamloops Report that detailed the human resource actions that would be taken in response to the investigation recommendations.

By the end of 2003/04, government had substantially completed all the initiatives to which it had committed. In ongoing dedication to a healthy, safe workplace, the public service has continued to develop and implement training and programs that support positive change in the public service. Among them are the following:

Leadership Skills

- A new workshop, the Learning Leader, has been added to the leadership development training courses already provided. This workshop focuses on trust as a critical foundation for effective leadership and addresses the dynamics and strategies around building and fostering trust.

Performance Reviews

- Annual employee performance and development plans (EPDPs) for public service managers were successfully introduced in 2003/04. As committed, EPDPs were implemented in 2004/05 for all public service employees. Ministries have reported that over 94 per cent of all public service employees had EPDPs in place by March 31, 2005. The majority of those who did not have EPDPs were either new or temporary employees and ministries have action plans in place to implement EPDPs for all employees.
- An electronic system for 360-degree assessments has been developed and piloted by senior managers. The tool is now being enhanced, based on findings from the pilot, and will be made available online to supervisors or managers who have direct reports. This will ensure that there is an opportunity for peers and subordinates to comment on performance.

Violence Prevention

- Violence prevention training is being provided on an ongoing basis. In 2004/05, 1,153 public service employees received this training.

Appendix B: Regional Office Locations

Head Office	**Victoria** 810 Blanshard Street V8W 2H2 PO Box 9404 Prov Govt V8W 9V1	Phone: 250 387-0518 Fax: 250 356-7074
Vancouver Island Region	**Nanaimo** 2080 Labieux Road V9T 6J9	Phone: 250 751-3155 Fax: 250 751-3244
	Victoria 940 Blanshard Street, 3rd Floor V8W 3E6 PO Box 9481 V8W 9E7	Phone: 250 356-1500 Fax: 250 387-0886
Northern Region	**Prince George** 500, 1011 – 4th Avenue V2L 3H9	Phone: 250 565-4242 Fax: 250 565-4249
South Coast Region	**Abbotsford** 220 – 2881 Garden Street V2T 4X1	Phone: 604 557-1700 Fax: 604 504-4113
	Burnaby 4940 Canada Way, Suite 204 V5G 4K6	Phone: 604 660-3900 Fax: 604 660-3994
	Vancouver 865 Hornby Street, 8th Floor V6Z 2G3	Phone: 604 660-0828 Fax: 604 660-0457
Southern Interior Region	**Kamloops** 167 Lorne Street V2C 1V9	Phone: 250 371-4330 Fax: 250 377-4472
	Nelson 310 Ward Street, 2nd Floor, V1L 5S4	Phone: 250 354-6161 Fax: 250 354-6224

Appendix C: Public Service Profile*

Number of Public Service Employees:

	Total Number	Percentage of Total
Regular Employees	26,186	84%
Temporary Employees	5,042	16%
Total	**31,228**	**100%**

By Employee Group:

	Total Number	Percentage of Total
Bargaining Unit:		
BC Government and Service Employees' Union (BCGEU)	23,518	75%
Professional Employees Association (PEA)	1,222	4%
BC Nurses' Union and Union of Psychiatric Nurses	640	2%
Total Bargaining Unit:	**25,380**	**81%**
Excluded: (including Management, OIC, Salaried Physicians, Schedule A, legal counsel, and executive secretaries)		
Total Excluded:	5,848	19%
Total Government	**31,228**	**100%**

By Gender:

Gender	Total Number	Percentage of Total
Female (Regular)	15,273	49%
Male (Regular)	10,913	35%
Female (Temporary)	3,445	11%
Male (Temporary)	1,597	5%
Total	**31,228**	**100%**

* all figures as of March 2005

By Age:

Age	Total Number	Percentage of Total
Under 25	624	2%
25–34	4,526	14%
35–44	9,570	30%
45–54	12,424	40%
55–64	4,063	13%
Over 64	21	1%
Total	**31,228**	**100%**

* all figures as of March 2005

Appendix D: Glossary

Agency: refers to the BC Public Service Agency.

Client: refers to the Deputy Ministers or the Heads of Agencies entering into individual Service Level Agreements with the BC Public Service Agency and their executives.

Customer: refer to the actual users of the services of the BC Public Service Agency including managers, employees and employee representatives that interact with or receive services from the Agency.

HR: refers to human resource(s).